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FOR IMMEDIATE RELEASE:

**HENDRICKS COUNTY MAN INDICTED FOR
BANKRUPTCY FRAUD APPEARED IN COURT TODAY**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that **RYAN A. COTTONGIM, Hendricks County, Indiana, was indicted by a federal grand jury sitting in Indianapolis last Tuesday** for Bankruptcy Fraud, following an investigation by the Federal Bureau of Investigation.

The indictment alleges that Cottongim filed for a Chapter 7 liquidation in November 2001. In return for obtaining a discharge of many of his debts, he was obligated to disclose and make available to pay his creditors all his assets. However, Cottongim failed to disclose numerous assets to the bankruptcy trustee in his bankruptcy filings and in testimony under oath, including transfers of three pieces of real property in Hendricks and Putnam Counties to

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a company in which he held an interest, interests in five pieces of real property in Putnam County and personal property interest in three vehicles and two companies.

Brooks said, "The judicial process relies on the on veracity of statements made under oath. Those who seek to deceive the Court must recognize that omissions are not innocent white lies, but rather criminal activity; and those who engage in such behavior will be held accountable through prosecution."

"Criminal bankruptcy fraud, such as the concealment of assets in a bankruptcy case, threatens the integrity of the bankruptcy system as well as public confidence in that system," stated Nancy J. Gargula, United States Trustee for Indiana and Southern Illinois (Region 10). "The Bankruptcy Fraud Working Group represents a united effort to combat fraud and abuse in the bankruptcy system. We very much appreciate U.S. Attorney Susan W. Brooks' leadership and commitment to this goal." The U.S. Trustee Program is the component of the Justice Department that protects the bankruptcy system by overseeing case administration and litigating to enforce the bankruptcy laws.

The charges against Cottongim resulted from a collaborative effort among federal enforcement agencies to combat fraud and abuse in the bankruptcy system. Members of the Southern Indiana Bankruptcy Fraud Working Group include representatives of the U.S. Attorney's Office for the Southern District of Indiana; United States Trustee for Region 10; Federal Bureau of Investigation; Internal Revenue Service; U.S. Postal Inspector Service; Social Security Administration; and Health and Human Services, among others. Referral of

the matter was made by the United States Trustee for Region 10.

According to Assistant United States Attorney Winfield D. Ong, who is prosecuting the case for the government, COTTONGIM faces a maximum possible prison sentence of 5 years and a maximum possible fine of \$250,000. An initial hearing will be scheduled before a U.S. Magistrate Judge in Indianapolis.

The indictment is an allegation only, and the defendant is presumed innocent unless and until proven guilty at trial or by guilty plea.

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